

GOVERNMENT EXPENDITURES SHOW INCREASE THIS YEAR

Secretary of the Treasury Mellon Informs House Ways and Means Committee That Present Federal Outlay Would Necessitate Additional Taxation—Declares That Present Revenue Law Would Provide \$260,000,000 Less Than the Estimated Outlay of \$3,830,000,000.

Wasted today by Secretary Mellon that it must reduce government expenditures to the minimum for a budget.

Appearing before the house and means committee, the treasury head declared that additional cuts of more than \$100,000,000 would be required to meet the estimated expenditures of \$4,559,000,000 for this fiscal year if additional tax cuts were made.

Under estimates of federal outlay for all purposes this year as presented by Mr. Mellon, \$3,520,000,000 would have to be covered by taxation. He estimated that the present revenue law would provide \$200,000,000 less than needed due largely to the shrinkage in the yield from excess profits and income taxes.

"Without the assurance of substantial increases in the yield from these taxes," said Mr. Mellon, "it would be folly to propose to reduce revenue merely to the purpose of reducing expenditure. Even without the assurance of such

meet all proper economic and social expenses of the government.

The excess profits tax and the highest income tax would be repealed, nothing substituted for them," said "The so-called nuisance taxes and transportation tax, in whole or in part, would be repealed and some attempt at a graduated gift tax would be liberally understood tax, as for instance the proposed five per cent flat increase of gift tax would be dropped. The funds lost by the repeal of these mentioned taxes.

Possibly some other one form of additional taxation might be suggested, but I doubt it. In any event, we should not, in my opinion, adopt the stamp, the land check or other taxes that characterize the laws of the past and depend on either the necessity or the availability of the automobile tax.

"Regarding a real reduction—a lifting and not wholly a shifting of the burden."

will shrink from rural causes, and will shrink, according to the present outlook, at a faster rate than current expenditures."

Then the secretary proceeded to show that expenditures thus far in this fiscal year has actually increased as compared with the corresponding period of the year, that ordinary expenditures of the committee, the first month of the fiscal year, were \$132,000,000 as against \$207,000,000 in July, 1920, leaving a current shortage of \$75,000,000. He then showed a deficit of \$74,000,000 in July a year ago. Of the total expenditures last month, \$115,000,000 was for the accounts of the military and naval establishments and \$59,000,000 for the housing program.

"If expenditures are to continue at anything like these rates the estimate will be greatly exceeded," declared Mr. Mondell.

Representative Mondell, of Wyoming,

the republican lean, declared in a formal statement that it was entirely practical in his opinion "to reduce the total additional tax on other tobacco products to yield a total of \$25,000,000 additional revenue annually."

K. OF C. TO EXPEND \$2,500,000 ON DISABLED EX-SERVICE MEN

San Francisco, Aug. 4.—Announcement that the Knights of Columbus would expend approximately \$2,500,000 on hospitalization work for disabled ex-service men was made at the final session of the annual international Knights of Columbus convention, held today by Supreme Secretary William J. McGinley. Knights of Columbus secretaries, ex-

RIGHTS OF NON-UNION EMPLOYEES ARE UPHOLD

Chicago, Aug. 4.—The rights of non union employees were upheld by the United States railroad labor board today in rendering a decision in a dispute between the Pennsylvania railroad and the Brotherhood of railway and steam engine clerks, firemen, express and station employees.

The dispute grew out of a meeting

The Knights will also continue their \$600,000 and university courses during the forthcoming year, as well as the chain of 132 Knights of Columbus vocational night schools for veterans and civilians.

It was announced that the aid of Maun-

In view of present negotiations for the settlement of the Irish question, the committee would not adopt any new policy to supplement its resolution of the 1926 supreme convention in favor of the Irish self-government movement. Last year's resolution accepted Irish claims for self-determination and

The convention endorsed the Boy Scout movement in the United States wherever it has been approved by the head of a Catholic diocese.

Although expressing a doubt as to the efficiency of the generosity of the estate tax, after a 10-minute debate, the convention held a 10-9 vote to turn the convention bill into law.

that the public could be on guard against indecency in entertainment.

DISARMAMENT CONFERENCE
MAY BEGIN NOVEMBER 11

Washington, Aug. 6.—Unless unexpected opposition develops, the international conference on disarmament and far eastern subjects, proposed by Lord Harding, will begin on November 11, the third anniversary of the signing of the armistice which marked the close of the World war.

British officials generally expressed willingness to accept any date that would be agreeable to the United States led today to the extension of the definite suggestion to all the invited powers.

"I am sure that, by that date, it will be possible to get more than the original Kenney-Kendrick committee members to attend," said a Senate republican, lower house republican today that the senate conference has been compelled to yield to the house on all points.

Six republicans, Senators Brandegee, Connecticut, Knox, Pennsylvania, Mow Hampshire, Wadsworth, New York, and Cummings, and one democrat, voted against the conference. Opponents were joined by four democrats: Broussard, Louisiana, Fletcher, Florida, and McNamara, New York.

"It was a question of no legislation at all or accede to the house," said Sen. Kenney, who said he was not satisfied with the present arrangement, but believed under the present secretary of agriculture would do much good. Senator New republican, Nebraska, he said, has

is understood unofficially that Japan will offer no objection to the suggestion although the government would prefer a slight delay merely to facilitate the compilation of material that will be required by its representatives at the conference. France and Italy, it is understood, will join the Japanese government in prompt acquiescence.

Press dispatches indicating Great Britain's willingness to leave to the United States the details of the conference, and that will be discussed were said to be indicative of the spirit of accord which has been manifested. The United States has made it plain that it does not intend to discuss any considerable question but has felt that the nature of the agenda should be outlined in advance of the conference if possible.

TO REDUCE FREIGHT
RATES ON EXPORT GRAIN

Chicago, Aug. 4.—Freight rates on grain, grain products and grain by-products from Chicago and the Central Freight Association to New Albany, Ind., and other points on the Ohio and seaboard ports for export will be reduced 7 1-2 cents per hundred pounds as a result of conferences between railroad and shipper's representatives it was announced tonight.

HANDS AILED TO GET \$46,000 IN CURRENCY

St. Louis, Aug. 4.—An unopened mail pouch containing \$46,000 in currency, obtained by three bandits who early today held up Tommy Feralso, a postoffice messenger, on North Wood River, Ill., was being flown today in a cornfield near Fosters, Ill., ten miles from the scene of

Thompsonville, Conn. Aug. 4.—Agreement was reached tonight between the Bigelow weavers and officials of Bigelow-Hartford Carpet corporation, a strike that has lasted twenty-five days, which provides for a 10 per cent wage reduction proposed by the corporation Feb. 28 and to a modified form of open shop.

\$600,000 PROPERTY SEIZURE
IN WORCESTER FOR FAIR

Worcester, Aug. 4.—Property valued more than \$600,000 was seized by the city of Worcester today for non-payment of taxes. The properties included the Graphic Arts building, assessed for \$265,100, and the Burgess-Lang building, assessed for \$155,000, two more buildings were also seized.

Both buildings are owned by the